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Lebanon, Israel Still Divided, Begin Says

Jerusalem — Prime Minister Menachem Begin met Sunday with George P. Shultz, the U.S. secretary of state, and said later that Israel and Lebanon were still divided in the talks on withdrawing foreign troops from Lebanese territory.

At the end of four hours of meetings with Mr. Shultz, Israeli officials said there was no agreement paving the way for withdrawal of about 90,000 Syrian, Israeli and Palestinian troops from Lebanon.

Mr. Shultz had left Lebanon earlier in the day amid reports that a compromise agreement on the withdrawal appeared to be emerging between the two countries.

Two rockets exploded early Sunday morning near the U.S. ambassador's residence in Beirut, where Mr. Shultz was sleeping. The rockets landed during a heavy exchange of shelling between rival Lebanese militias in nearby hills, a U.S. marine on duty at the residence said. No one was injured at the ambassador's residence.

The Shultz mission, entering its second week, is expected to continue with a return trip to Lebanon on Tuesday.

Mr. Shultz, who began the day by conferring with Lebanese officials in Beirut, met Foreign Minister Yitzhak Shamir, Defense Minister Moshe Arens and Israeli diplomats and military experts for two hours before his private talks with Mr. Begin.

The Israeli leader told reporters later: "There are still differences of opinion between the two sides which we haven't solved yet. We hope the negotiations will ultimately bring a positive result."

Mr. Begin invited members of four families of Israeli soldiers being held prisoner by the Palestine Liberation Organization, or missing in action, to meet the secretary of state.

Mr. Shultz said his conversation with them had been deeply moving.

Israeli officials, who asked not to be named, said there had been almost no change in Lebanese positions in the withdrawal negotiations, as outlined by Mr. Shultz after two days of talks in Beirut.

U.S. and Lebanese officials earlier Sunday had agreed that progress had been made during more than 12 hours of talks in Beirut with President Amin Gemayel, Prime Minister Shafiq al-Wazzan and other Lebanese leaders Saturday and Sunday.

Mr. Shultz said that he and the Lebanese leaders had discussed the draft agreement article by article and line by line.

Mr. Shultz's mission follows four months of detailed negotiations that failed to resolve differences between Israel and Lebanon.

Rocket Attack Described
Bernard Gwertzman of The New York Times reported from Beirut: The two Katyusha rockets fired early Sunday morning passed directly over the roof of the U.S. ambassador's residence here while Mr. Shultz was sleeping.

(Continued on Page 2, Col. 4)

Mao Had Lin Killed, Book Says

Account Affirms Defense Chief Plotted for Power

By Richard Bernstein
New York Times Service

NEW YORK — A book to be published this month asserts that Lin Biao, a former Chinese defense minister, was ordered assassinated 12 years ago by Mao and that many important elements in the case have been covered up in official Chinese accounts.

The book, "The Conspiracy and Death of Lin Biao," deals with one of the most dramatic and mysterious episodes in recent Chinese political history, the purported effort in 1971 by Lin to assassinate his presumed patron and ally, Mao, and to seize power in China.

According to a spokesman for Alfred A. Knopf, the publisher, the book will be published under the pseudonym Yao Mingling. The spokesman said the manuscript was smuggled out of China and is

to be published May 16. Publishers in Britain, France, the Netherlands, Italy, Sweden, Japan, West Germany, and Taiwan will also publish it.

The Knopf editors express confidence that the manuscript is authentic. Nonetheless, the identity of the author has not been disclosed, a factor that makes it impossible to ascertain the manuscript's veracity.

"We were able to go a long way towards establishing for ourselves the author's bona fides," said Charles Elliott, a senior editor at Knopf. "The problem is that we can't say anything about it that would help to identify him."

The official versions of the Lin incident, released nine months after the reported coup attempt, claimed that after Lin's plot failed, he tried to escape to the Soviet Union by plane along with his wife

and several co-conspirators but that the plane ran out of fuel and crashed in Mongolia.

The new account provides more information consistent with the official accounts. It affirms, for example, that Lin did indeed seek to assassinate Mao in the fall of 1971 and that he died in the attempt on Sept. 12 of that year.

But in important respects, the new account diverges widely from earlier versions.

It claims, for example, that Lin's plot against Mao included provoking a major military incident on the Chinese-Soviet border, even though Lin planned eventually to realign China with the Soviet Union and the rest of the Communist camp.

It also says, contrary to official Chinese explanations, that Mao's supporters in China's top leadership had early intelligence information on Lin's activities.

In a counterplot, they lured the defense minister to a dinner at an exclusive villa west of Beijing. Lin, his wife, and two colleagues were assassinated in a hail of rocket fire after leaving the villa in their limousine, the new book says.

Ross Terrill, an expert on China who has published a biography of Mao, said the new account, "may well be near the truth about the last days of Lin Biao."

Mr. Terrill, who was told in a telephone interview of the contents of the book, added that some of the details quoted in it may not be authentic.

He said he suspected that "some enterprising young people" in China "may have turned what they've



Mao and Lin Biao, who was to have succeeded him, in 1969.

Iranian Marxist Says He Spied for Russians

TEHRAN — Nureddin Kianuri, the secretary-general of Iran's communist Tudeh Party, who was arrested with much of the party's leadership in February, has confessed on television to spying for the Soviet Union.

The Tudeh Party played an active role in the revolution that overthrew Shah Mohammed Reza Pahlavi in 1979, and it has always declared support for the Islamic government in Tehran.

But according to a translation of the confession in Sunday's English-language Tehran Times, Mr. Kianuri said he had been in contact with Soviet agents since 1945.

"Our violations mainly consisted of the delivery of top-secret military and political documents to our bosses at the Russian Embassy," the newspaper quoted him as saying. It did not say whether he gave any details of the documents.

No immediate comment on the statement was available from the Soviet Embassy in Tehran, which was closed for the May Day holiday.

During the confession, screened on state-run television Saturday, Mr. Kianuri was shown sitting at a desk in front of a slogan reading: "America is worse than the English, the English are worse than America, the Soviets are worse than both."

The television also broadcast a half-hour confession by Mahmud

Etemadzadeh, the editor of a Tudeh Party magazine. The Iranian news agency quoted him as saying Marxism was at a dead end in Iran because of the people's support for Islam.

The confessions were broadcast a day after members of the Revolutionary Guard said they had arrested more Tudeh Party members and seized arms, ammunition, duplicating machines and forged documents belonging to the party.

According to the translation in the Tehran Times, Mr. Kianuri said his original contacts dated off but he had resumed contacts with Soviet agents in 1971 in connection with "more serious activities," which had continued until his arrest.

The newspaper quoted him as saying he had been in contact with the Central Committee of the Soviet Communist Party and had sought their help to flee Iran.

Meanwhile, Turkish state radio said that Iran and Iraq completed an exchange of prisoners of war Sunday in Turkey when 32 Iranians headed home after negotiations that ended late Saturday night.

On Saturday, 32 Iraqi prisoners brought to Ankara for the exchange left by air for Baghdad after only brief negotiations.

There was no immediate explanation for the protracted talks over the Iranians, which involved officials from the International Red Cross and Turkey.

Solidarity Supporters Clash With Police in Polish Cities

By Dan Fisher
Los Angeles Times Service

WARSAW — Police used water cannons, tear gas and rubber clubs in at least four Polish cities Sunday to break up the first major pro-Solidarity demonstrations in six months and the largest such manifestations since last August.

While Polish television dismissed the incidents as "marginal," it reported late Sunday that there were unauthorized demonstrations in 30 Polish cities, including the most serious in Warsaw, Gdansk, Wroclaw and Nova Huta.

The rallies were called by underground leaders of the banned Solidarity trade union to counter May Day rallies organized by the Communist authorities throughout the country. May 1 is celebrated in Poland and many other countries as labor day.

Polish television claimed that about 40,000 people participated nationwide in the unauthorized rallies, compared with 6.5 million in official observances, and said it was a national vote against the underground opposition.

Western estimates, however, put the total of Solidarity sympathizers much higher. In the Baltic seaport of Gdansk, Lech Walesa, who was leader of the banned union, said the rallies "surpassed all our expectations."

Mr. Walesa had tacitly endorsed the underground demonstration call, and Western correspondents on hand Sunday said up to 40,000 Solidarity supporters joined the protest in Gdansk alone.

The crowds were smaller than during similar illegal May Day demonstrations a year ago, but their numbers were nonetheless surprising given the police power arrayed against them. Last year's unauthorized demonstrations were allowed to proceed with virtually no interference.

The authorities demonstrated all their power, and in doing so they demonstrated their full impotence," Mr. Walesa said. The union leader's apartment building was surrounded much of the day by police who fought off several attempts by sympathizers to reach him.

The Polish leader, General Wojciech Jaruzelski, who officiated Sunday over the government's May Day festivities in the Polish capital, told celebrants that "counterrevolution" had failed in Poland in 1981, "and it is still less likely to succeed today."

He said that there were still attempts "to sow chaos," but argued that those responsible constituted a "pitiful fringe without any chance of success."

Another government official characterized pro-Solidarity demonstrators in Warsaw as "teen-agers."

At almost the same moment that General Jaruzelski spoke, about 3,000 people assembled in front of St. John's Cathedral on a narrow, cobblestone street in Warsaw's old town. They broke into cheers as the first Solidarity banners appeared in the crowd.

Soon, scores were waving their

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A group of Solidarity supporters marching through the streets of Szczecin on Sunday during a May Day demonstration.

Soviet Leaders and Workers Mark May Day in Huge Moscow Parade

Compiled by Our Staff From Dispatches

MOSCOW — Yuri V. Andropov, the Soviet Communist Party chief, and other members of the Kremlin leadership assembled at Lenin's tomb in Red Square on Sunday to watch Moscow's traditional May Day parade of workers.

Bearing giant portraits of party leaders, balloons and flags, several hundred thousand people filed across the square and as they passed by, waved to the lineup of Politburo members and military chiefs.

Absent from the gathering of Soviet officials was Konstantin U. Chernenko, who rivaled Mr. Andropov for the party leadership last year and has not been seen in public for more than a month.

Mr. Chernenko's office said last week that he had a cold, but Western diplomats and some Soviet analysts believe he is in serious political difficulties.

The ambassadors of most Western countries stayed away from the Red Square festivities in what has become a yearly boycott to protest Soviet intervention in Afghanistan.

A spokesman from the Swedish Embassy said no Swedish diplomats would be present after last week's protest by Stockholm over alleged intrusions by Soviet submarines into Sweden's territorial waters.

The ambassadors of Norway and Denmark said they were staying

away as a sign of support for Sweden.

Greek and Turkish envoys attended the parade, but those from all other members of the North Atlantic Treaty Organization said they were joining the boycott over Afghanistan.

In the Vatican City, a light plane towing a huge Solidarity banner swooped low over St. Peter's Square just before Pope John Paul II addressed 50,000 pilgrims.

But the pope made no direct reference to Poland or its outlawed trade union in his message defending workers' rights, although he called for increased "solidarity, fraternity and liberty."

In Paris, France's two biggest trade unions paraded in support of President Francois Mitterrand's Socialist government despite their opposition to its austerity program.

About 30,000 members of the Communist-led General Confederation of Labor (CGT) and the Socialist-led French Democratic Confederation of Labor (CFDT) marched with Communist and Socialist Party leaders to the Bastille monument.

The third main union, the moderate Workers' Movement (Force Ouvriere), held a separate march attended by an estimated 5,000 people. Spokesmen condemned the austerity program as "being against the interests of workers."

In Athens, Greek workers staged

strikes and mass rallies throughout the country.

Across Portugal, tens of thousands of Communist workers rallied to demand that the Socialists include their Moscow-line party in Portugal's next government.

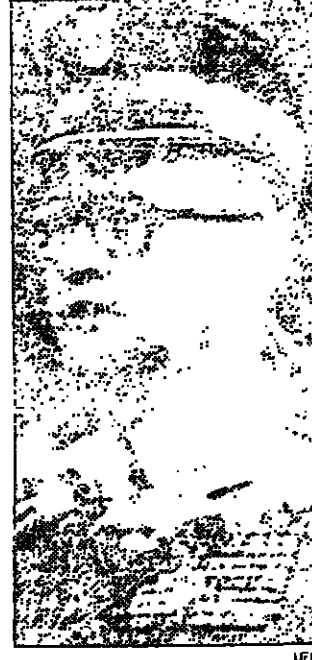
More than 100,000 Israelis celebrated at a Tel Aviv rally organized by the Histadrut labor federation. Histadrut and opposition Labor Party leaders participated in the rally, along with a delegation of American unionists led by Lane Kirkland, president of the AFL-CIO and a high-level delegation from Czechoslovakia's Communist Party.

In Bonn, West German trade union leaders urged the government to shorten the working week and introduce a job-creation program to counter unemployment.

The East German head of state, Erich Honecker, and other leaders watched a procession lasting nearly two hours in East Berlin.

An estimated 1.7 million people took part in rallies and marches throughout Japan. Labor groups used the holiday to protest the economic and defense policies of Prime Minister Yasuhiro Nakasone.

President Ferdinand E. Marcos of the Philippines announced in a May Day address that he had ordered the transfer of two imprisoned labor leaders from military detention to house arrest. He ordered the transfer of Fokiberto



General Wojciech Jaruzelski speaking at the May Day parade Sunday in Warsaw.

Olalia and Bonifacio Tupaz a day after he issued a similar order in the case of a jailed newspaper reporter, Antonio Nieva.

China celebrated with a huge party in the Great Hall of the People. While state and Communist Party leaders attended a gala musical show in the hall's theatre, the rest of the complex was turned into an entertainment center, featuring acrobats, gymnasts, martial arts displays and films.

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Salvador's Army Back In City Left by Rebels

United Press International

SAN SALVADOR — The Salvadoran Army returned over the weekend to a strategic city held for days and then abandoned by leftist guerrillas. The rebels said they killed 40 soldiers and captured 10 others Friday in one of the worst single days of fighting in months.

About 200 soldiers from the Sixth Infantry Brigade of La Union re-entered Santa Rosa de Lima, 88 miles (140 kilometers) east of San Salvador, after guerrillas withdrew early Saturday from the city of 29,000 people.

In a broadcast Saturday, Radio Venceremos, the rebels' clandestine radio station, said the insurgents withdrew at 4 A.M. "having completed all objectives."

The rebels seized the city in a fierce assault Friday that the radio station said was "a response to the declaration of war of President [Ronald] Reagan," a reference to the American leader's tough speech on Central American policy Wednesday to the U.S. Congress.

A man who identified himself as Commander Tomas, leader of 200 guerrillas who captured the town, said his forces had killed about 40 National Guardsmen and national policemen and captured another 10 security force members.

Radio Venceremos also said the guerrillas blew up six bridges Friday in attacks in three provinces, the most devastating at El Amatillo, near the Honduran border, about 10 miles east of Santa Rosa de Lima.

Some factories in the border area were also reported to have been badly damaged.

Red Cross officials said rebels killed 10 policemen and 11 civilians at El Amatillo and blew out a bridge over the Goascoran River that separates El Salvador and Honduras.

But Colonel Ramon Antonio Morales Ruiz, the commander of the Sixth Infantry Brigade, said only 10 civilians and six policemen were killed there.

The Red Cross and funeral directors said nine of those killed were sleeping truck drivers who were trapped inside their vehicles when rebels rolled sticks of dynamite underneath them in the pre-dawn attack.

Reporters who visited the area Saturday saw the burned-out hulks of 14 trucks.

Colonel Morales, who was interviewed in Santa Rosa de Lima, said he arrived in the city Saturday morning by helicopter after visiting the border area.

He said the guerrillas had "damaged these people with the destruction of those bridges, the factories and all those sources of work."

The authorities said trucks from El Salvador, Honduras and Guatemala were burned at El Amatillo. The attack severed the Pan American Highway, the main road link among Central American countries.



Salvadorans at El Amatillo being helped across the rubble of a Goascoran River bridge that was blown up by rebels.

Colonel Morales said the guerrillas "committed the error of attacking the Honduran armed forces and also provoking them" and that Honduran Army gunfire had driven them away.

Meanwhile, rebels burned eight buses Saturday on the Pan American Highway at San Miguel, 70 miles east of San Salvador, the country's third largest city.

In fighting about six miles southwest of the city, military sources said eight rebels were killed and

three soldiers wounded in a clash near the village of Las Placitas.

■ **Salvador Death Toll Rises**
At least 246 persons were killed last week in El Salvador's civil war, as against 156 the week before, Reuters reported from San Salvador, quoting the city's Roman Catholic auxiliary archbishop, Monsignor Gregorio Rosa Chavez, said in his Sunday homily that the rising death toll proved armed struggle was not the way to end social injustice.

Deng Realigning China's Provincial Leadership

By Michael Parks
Los Angeles Times Service

BEIJING — In a move to ensure spread of his pragmatic, "what-over-works" socialism throughout China, Deng Xiaoping, the country's top leader, is realigning the ruling Communist Party's entire provincial structure, replacing scores of longtime officials with reformers who will "dare to create something new."

The party leaderships in all of China's 29 provinces and province-level municipalities have been reorganized so far, mostly in the last six weeks, bringing about 200 new faces into senior provincial posts where they will oversee the implementation of Mr. Deng's policies.

In most provinces, as many as two-thirds of the deputy party secretaries and members of the provincial party standing committees are new, according to Chinese reports of the sweeping but orderly transition.

Newcomers' authority is further enhanced by the trimming in half

of the number of senior party officials as part of the continuing effort to reduce bureaucracy.

The top party leaders in eight provinces have been replaced, but several who had been expected to retire have remained, suggesting that Mr. Deng, now chairman of the party's Central Advisory Commission, still faces some local political resistance.

Most of the new officials appear to be in their 40s or 50s, considerably younger than the men they replaced, and many are university graduates with extensive professional experience, a sharp break from the past Chinese Communist Party leadership composed of former guerrilla fighters, semiskilled workers and peasants.

The majority of the new officials have been appointed on orders from the party's policy-making Central Committee in Beijing, according to Chinese sources, although four provinces held party congresses to choose new leaders, whose elections were confirmed by the Central Committee.

Special Central Committee "working groups" were sent to a number of politically troubled provinces by the party's leadership to ensure the selection of Deng loyalists and to help oust those who have continued to resist, even to oppose openly, the political, economic and social reforms of the past five years.

The party's general secretary, Hu Yaobang, Mr. Deng's chief lieutenant, warned in advance that Central Committee teams would be sent to many provinces to help "local comrades to make up their minds."

A preliminary survey showed that such teams were sent to about one-third of the provinces, with another third being given strong "central guidance."

The changes are intended, party officials have said, to make the provincial party organizations more responsible to orders from the center. One of Mr. Deng's major frustrations over the last five years has been the failure of his re-

forms to meet all their goals because of local resistance to them. This has made support for Mr. Deng's reforms the most important criterion for promotion.

Mr. Deng's yardstick, according to a commentary on selecting new party officials that quoted Mr. Deng, is the officials' education, background, their proven ability at other posts, their demonstrated "political integrity," whether they are "in the prime of life" and whether they "dare to create new things."

In east-central Anhui province, for example, this led to the selection of a county leader, Huang Huang, 49, as the provincial secretary, largely on the basis of his success in turning one of the country's poorest areas into a virtual model of rural success in a few years.

Chinese officials estimate that 36 percent of top provincial party officials are college graduates, more than twice the previous proportion. Few have held major party or government posts before. A Western diplomatic analyst

said: "People in the party center know who these men are, what their backgrounds are, what their views are, but nobody else is likely to."

"We suspect, but don't know, that Hu and (Prime Minister Zhao) Ziyang and picking them, as most are far too young for Deng to know personally."

Companion moves are under way in the provinces' parallel government organizations.

The provincial governments and party organizations are scheduled to complete their reorganizations this summer, and similar measures are to be put into effect at county and township levels by next summer.

The provincial leadership changes are also meant to clear the way for the "party rectification" campaign, which will begin late this year with the examination of all 40 million party members to weed out those who joined as "rebels" during the Cultural Revolution, who oppose the current policies or who are corrupt.

Prem Seeks New, Stable Thai Cabinet

Rival Parties Urged To Resolve Disputes

BANGKOK — Prime Minister Prem Tinsulanonda of Thailand, who was officially appointed Saturday for another four-year term, faces the immediate task of trying to form a stable coalition.

General Prem, viewed by politicians and the army as an ideal compromise, appealed to the various political parties for their cooperation in setting up a majority government.

The 62-year-old retired general urged rival parties seeking to dominate his next government to settle their differences in the interest of national unity.

A general election here two weeks ago gave almost equal representation in parliament to Thailand's two major political parties, the Social Action Party of Kukrit Pramong, a former prime minister, and the rightist Thai Nation Party. Both have fought to dominate the government being formed by General Prem.

One divisive issue centers on the constitution, which the army is expected to try again to amend. Parliament's rejection last month of an army-sponsored bill to amend the constitution raised political tension prompting General Prem to call the election almost two months ahead of schedule.

The bill, backed by the army commander in chief Arthit Kamlang-ek, sought to retain the legislative power of the military-dominated Senate and the right of current military men and civil servants to hold future cabinet posts.

Both rights were terminated with the end of General Prem's first term 10 days ago.

The general election produced a fragmented lower house with no single party gaining a majority large enough to form a government. General Prem announced his resignation after the election, but later indicated that he would remain in office if the rival parties could compromise to form a coalition.

The Thai Nation Party, led by retired army generals and industrialists, has been flexible on the constitution issue. But it has joined small pro-army groups in an attempt to form a coalition without the participation of the Social Action Party, its close ally, the moderate Democratic Party.

WORLD BRIEFS

Pertini, Party Leaders End Talks

ROME (AP) — President Sandro Pertini ended consultations Sunday with party leaders but apparently has already decided to dissolve parliament on Monday and call early elections.

Political sources said that Mr. Pertini, a Socialist, appeared to have given up hopes of forming a government to replace Prime Minister Amintore Fanfani's four-party coalition, which resigned Friday. Mr. Fanfani is a Christian Democrat.

Mr. Pertini said Saturday night that he would decide Monday on whether to dissolve parliament. He was waiting until Monday to take action, he said, because he wanted to finish the traditional consultations with party leaders. Although Mr. Pertini did not say specifically that he would dissolve parliament, he apparently has little choice because the Socialists have blocked all attempts to form a new government.

González Is to Confer With Kohl

MADRID (Reuters) — Prime Minister Felipe González leaves for West Germany on Tuesday for talks expected to center on Spain's controversial entry into the European Community.

West Germany supports Spanish entry. Spanish diplomats said that Mr. González hopes to strengthen existing links between the two countries in his first formal talks with Chancellor Helmut Kohl.

Foreign Minister Fernando Morán, who is to accompany Mr. González, said Friday that he believed negotiations on Spanish entry had accelerated in the four months since West Germany had held the presidency of the EC council of ministers. West Germany is one of the largest foreign investors in Spain.

New EC Tax Proposals Expected

BRUSSELS (Reuters) — The European Community's top officials, seeking ways to avoid financial collapse, are expected to propose this week that extra cash be raised through taxes on energy imports and surplus farm produce, diplomats said Sunday.

The 14-member EC Executive Commission will meet Tuesday and Wednesday to complete detailed proposals for dealing with the potentially embarrassing cash shortage, caused mainly by subsidies to farmers. Officials say \$2 billion is needed this year on top of \$14 billion already budgeted for farm spending.

The proposals the commission hopes to unveil Thursday were also expected to include a claim to a higher share of the value-added tax levied in the 10 member states, diplomats said. The EC now claims up to 1 percent of the tax, which accounts for about half its income.

Brazil to Return Arms to Libya

BRASILIA (UPI) — The Italian national airline, Alitalia, has agreed to transport to Libya the weapons and ammunition that Brazilian authorities seized last month from four Libyan planes on their way to Nicaragua, according to government sources.

Brazil asked Alitalia to divert a cargo jet from New York to take the arms to Tripoli, the sources said Saturday. There was no official confirmation of when the Italian plane would arrive.

In Rome, authorized sources said the government raised no objection to the arrangement, which they said had been "approved by all sides, including the United States." Washington has charged that Nicaragua intended the arms for leftist guerrillas in El Salvador.

Mexico, Brazil Reject Reagan Claim

CANCUN, Mexico (UPI) — The presidents of Mexico and Brazil have wound up a three-day meeting by signing a communiqué rejecting U.S. allegations that the Soviet Union was behind guerrilla violence in Central America.

The statement was signed Friday by President Joao Figueiredo of Brazil and his Mexican counterpart, Miguel de la Madrid, and their respective cabinets.

The United States was not mentioned by name in the statement, but there was no doubt that the two leaders rejected President Ronald Reagan's argument that uprisings by leftist guerrillas in Central America were part of a Soviet plan to destabilize the region, including Mexico. Instead, Brazil accepted Mexico's view that the uprisings were caused by harsh economic and political conditions.

Reagan May Name Aide to Stone

WASHINGTON (UPI) — President Ronald Reagan may appoint a more experienced diplomat to back up the efforts of Richard B. Stone, his newly named special U.S. envoy to Central America, according to White House officials.

Aaron Franklin, assistant White House press secretary, said Saturday that members of Congress have urged Mr. Reagan to designate a deputy to Mr. Stone, a former Democratic senator from Florida. He said the administration is considering the proposal "but no decisions will be made without full discussion and consultation with Senator Stone."

The Washington Post quoted administration sources as saying that Mr. Stone's appointment would be strengthened by adding a respected diplomat of the stature of Walter J. Stoessel Jr., a former ambassador to Bonn and Moscow who was the No. 2 official in the U.S. State Department when he retired last fall. Mr. Stoessel said the White House has not approached him about the job.

Paris Police Raid Corsican Hideout

PARIS (Reuters) — Police have raided a Corsican nationalist hideout here, discovering bomb-making equipment and \$100,000 in counterfeit U.S. money, police sources said Sunday. They said that two of eight men detained in connection with a series of bombings had admitted taking part in the attacks and that all eight would probably face charges.

The explosions early Friday in Paris, Marseilles and Aix-en-Provence caused serious damage but no injuries.

Police sources said authorities learned that the Corsican National Liberation Front planned the bombings when a man being questioned late Thursday about forged bank notes said he had visited an apartment in Paris where guerrillas were making bombs that were to be planted that night.

Swiss Expel Soviet Press Director

BERN (AP) — The Novosti press agency's director for Switzerland has been quietly left for Moscow after Swiss authorities ordered his expulsion on charges of directing a campaign of subversion.

Alexei Dymov left by train Saturday. The government set a May 7 deadline when it decided to expel him and close his Bern bureau for "gross interference in Swiss domestic affairs."

In a communiqué Friday, the government charged that in recent years the bureau, which also employed two members of the Swiss Communist Party, had become a "center of disinformation, subversion and agitation." Alleged subversive activities, according to authorities, ranged from helping to organize several rallies against nuclear disarmament to "paramilitary training" of youths.

Gandhi to Speak for Nonaligned

NEW DELHI (Reuters) — A group of nine nonaligned states has agreed that Prime Minister Indira Gandhi of India should send messages to leaders of developed states explaining Third World views in advance of key international economic meetings over the next few weeks.

The ministerial group, meeting Saturday, rejected proposals that a team of government spokesmen should tour industrialized countries to promote Third World views on the global economic crisis, an Indian government spokesman said. He said nonaligned leaders would also put across their views during contacts before the international conferences.

The conference was attended by Algeria, Argentina, Bangladesh, Cuba, India, Indonesia, Sri Lanka, Tanzania and Yugoslavia. The target meetings are this month's summit of the seven non-Communist industrial powers in Williamsburg, Virginia; meetings of Communist-bloc countries in East Germany; and a Belgrade session of the United Nations Conference on Trade and Development in June.

Argentines Hope to Visit Falklands

BUENOS AIRES (Reuters) — A converted freighter bearing about 50 relatives of Argentine soldiers killed in the Falklands war will try to reach the islands in the hope that Britain will allow a visit to war graves, according to the trip's organizers.

Oswaldo Destefanis said at a news conference before the sailing Saturday that on Monday the relatives would attend an armed forces ceremony — the only one officially allowed by the Argentine government — at the spot where the cruiser General Belgrano was torpedoed by a British submarine on May 2, 1982.

Mr. Destefanis said the ship would then cruise near the edge of the British exclusion zone around the islands to see if London would relent in its decision not to allow the relatives to visit an Argentine war cemetery at Port Darwin. The Argentine group refused to accept British conditions for a visit.

Mitterrand China Trip Seeks to Improve Ties

PARIS — President François Mitterrand and five cabinet ministers left Sunday for Beijing, aiming to lift French relations with China, but his efforts are likely to be marked by continuing differences over Indochina.

The French leader, who was last in Beijing before his election in 1981, regards his five-day state visit as a major step in his drive to project a new French influence outside the industrialized world, officials said.

The Elysée Palace spokesman, Michel Vazelle, said that Mr. Mitterrand's talks in Beijing would include an "in-depth examination" of the question of possible sales of the Mirage-2000 fighter to China.

Mr. Mitterrand is scheduled to arrive in Beijing on Tuesday from Nepal and to go to Nanjing and Shanghai on Friday after talks with the Communist Party chief, Hu Yaobang, and other leaders.

Officials said that the French president believes that misunderstandings, particularly over Vietnam and Cambodia, are a major reason why relations have not lived up to expectations raised when Mr. Mitterrand's Socialists came to power.

Chinese concern over his policy on France's old Indochina possessions emerged when France renewed food aid to Hanoi and rescheduled Vietnam's debts last year. China backs the coalition of anti-Vietnamese Cambodian resistance movements.

France and China established

formal ties in 1964 under de Gaulle, but China was suspicious of privileged links between Moscow and France's conservative governments. Visits to China by President Georges Pompidou in 1973 and President Valéry Giscard d'Estaing in 1980 failed to set relations on a new footing.

The Mitterrand administration's far more critical stance toward the Soviet Union has been welcomed by the Chinese. But relations were hampered by the jailing in 1981 of Li Shuang, a Chinese woman convicted of living in Beijing with a French cultural attaché, Emmanuel Belfroid.

Officials said that Mr. Mitterrand was expected to bring up the case in Beijing. In a gesture over another human rights case, China last month released Bernard Ratillon, a French national who had been imprisoned in 1955.

Beijing's anger flared after a Vietnamese report quoted France's external relations minister, Claude Cheysson, as suggesting that France would prefer Vietnamese troops to stay in Cambodia if the alternative was a return to the atrocities committed by the former Khmer Rouge government.

The Chinese press also accused Mr. Cheysson of slandering Beijing after he was quoted from Bangkok, on a tour of Southeast Asia, as saying that Thailand faced threats from China.

Mr. Cheysson denied making the Bangkok remarks and reaffirmed France's demand for the withdrawal of all Vietnamese troops from Cambodia, calling in the Chinese ambassador to try to explain his position after his return from Asia.

In a clear signal to Beijing, Mr. Mitterrand and Mr. Cheysson had talks in Paris last week with the former Cambodian ruler, Prince Norodom Sihanouk.

The French leader and his party were to travel from Paris via Nepal, where Mr. Mitterrand was scheduled to meet with King Birendra on a 24-hour visit.

U.S. Trade Stand May Jar Romania

WASHINGTON — President Ronald Reagan's decision to end Romania's favorable trade status with the United States may cost the East European nation as much as \$250 million yearly in lost exports, according to a report by the Senate Foreign Relations Committee.

The United States is dropping Romania from the list of most favored nations because of the education tax on Romanians seeking to emigrate. A highly educated emigrant would have to repay the state as much as \$40,000 for his or her education.

U.S. Commerce Department officials estimated that 75 percent of Romania's leading 25 exports to the United States would be affected by the loss of the favorable trade status, effective June 30, the report said.

Vietnamese In U.S. Say: Resist Hanoi

WASHINGTON — Nearly 2,000 Vietnamese emigrants ended a three-day rally here Saturday with an appeal for world cooperation to overthrow the Communist government in Hanoi.

"We are not bellicose. We are not declaring a new war. We are merely undertaking a struggle to liberate our people," said Hoang Co Minh, a retired admiral who leads the National United Front for the Liberation of Vietnam.

The front and its National Support Movement for the Resistance in Vietnam, both based in California, are the largest of more than a dozen competing groups of former South Vietnamese who have been working for about five years to organize a coordinated resistance campaign.

The front has united 36 resistance groups within Vietnam and has 10,000 "resistance soldiers" here and in Vietnam ready to fight, Mr. Hoang said. So far, he said, the front has trained and organized armed propaganda groups and has secretly sent them to work "in appropriate areas" in preparation for an eventual rising of the Vietnamese people.

Austria Socialist Sees a Mandate

GRAZ, Austria — Parliamentary elections on April 24, in which the Socialists lost their majority, provided a clear mandate for a Socialist-led government, Vice Chancellor Fred Sinowatz said Sunday.

Mr. Sinowatz, 54, who has been designated by his party to become chancellor in any new Socialist government, rejected the views of the Socialists' youth wing, which is calling for the party to go into opposition. He told a May Day celebration that there was no sensible alternative to Socialist participation in government.

Chancellor Bruno Kreisky, 72, who has said that he will conduct coalition negotiations and then resign in favor of Mr. Sinowatz, has indicated that he prefers a coalition with the small, rightist Freedom Party. The Freedom Party said Saturday that it would hold talks on a coalition first with the Socialists and only negotiate with the Austrian People's Party if these failed.

8 Are Killed in Crash Of Ecuadorian Plane

QUITO, Ecuador — Eight persons were killed and 30 injured in an abortive emergency landing by an Ecuadorian plane with 100 persons on board, civil aviation officials said.

The plane, a Caravelle, crashed shortly after takeoff Saturday from Guayaquil on a scheduled Servicios Aereos Nacionales flight to the capital, Quito, 240 miles (400 kilometers) to the northeast.

Partial Troop Pullout Awaited in Cambodia

BANGKOK — Forty-four foreign journalists group led by Phnom Penh on Saturday to witness the start of a partial withdrawal of Vietnamese forces from Cambodia, the Cambodian news agency SPK reported Sunday.

Prince Norodom Sihanouk and other Cambodian resistance leaders met at their stronghold on the Cambodian side of the Thai border and said their forces planned to regain the initiative in the jungle war against the Vietnamese during the rainy season, which starts this month.

Vietnam, which has an estimated 180,000 troops in Cambodia, said Friday that it would withdraw an infantry division and six attached brigades and regiments from Cam Long in eastern Cambodia. It said the withdrawal would start Monday and would be completed by the end of this month. It did not give the exact number of troops being pulled out; diplomatic sources in Bangkok said it could be more than 15,000.

The move was depicted by some observers as an effort, in part, to steal media attention from Prince Sihanouk, The Associated Press reported.

Vietnamese troops have been stationed in Cambodia in support of the government in Phnom Penh headed by President Heng Samrin, which non-Communist Southeast Asian nations do not recognize.

Vietnam said Saturday that its planned troop withdrawal reflected the growing stability of the Phnom Penh government. The Vietnam News Agency, monitored in Bangkok, said "The international prestige of the People's Republic of Cambodia is constantly rising, and the Cambodian situation is irreversible."

Prince Sihanouk and the five non-Communist countries forming the Association of Southeast Asian Nations say the move could turn out to be nothing more than a troop rotation.

Prince Sihanouk and his partners in a coalition government in exile, which is recognized by the United Nations, met at two different locations near the Thai border town of Aranyaprathet over the weekend to discuss strategy.

Also Saturday, ambassadors from China, North Korea, Malaysia, Bangladesh and Mauritania presented their credentials to Prince Sihanouk, president of the government in exile.

Israel, Lebanon Still Split On Pullout, Begin Reports

(Continued from Page 1)

Shultz and other key officials were asleep inside.

The 122mm rockets landed about 100 yards (90 meters) away, and their explosions shook the well-guarded residence twice, officials said. There were no casualties or damage to the residence, but windows were shattered in a nearby house.

Lieutenant Alan Burchard, a marine whose squad recovered the

14 Feared Dead In U.S. Air Crash

JACKSONVILLE, Florida — Fourteen persons were believed killed when a navy transport plane returned to base because of engine trouble crashed into a muddy river while attempting an emergency landing.

Melissa Kelly, 32, a technician, the only known survivor, was found clinging to a floating piece of luggage and was reported in stable condition in a hospital after surgery for a compound leg fracture.

Navy divers searched the St. John's River for several hours Saturday but only four bodies were found, a spokesman at Jacksonville Naval Air Base said.

rocket fragments, said that the Katushas "barely cleared the top of the residence" and that if either had hit the structure it would have caused a lot of injuries and destroyed a good section of the building.

He said that marines on duty said that the rockets "sounded like a freight train going over."

Mr. Shultz, Ambassador Robert C. Dillon and the two U.S. special Middle East envoys, Philip C. Habib and Morris Draper, had returned an hour earlier to the residence after a working dinner with President Gemayel.

When asked about the incident Sunday, Mr. Shultz said he was not sure that the attack had been premeditated and that in any event, he would not be intimidated and would stay in Beirut overnight again if necessary.

Mr. Shultz said "I don't have a clue" as to who might have sent "the greeting" but other U.S. and Lebanese officials speculated that the rockets might have been fired by Syrian-backed Druze forces that earlier in the evening had exchanged artillery fire with Christian forces in the Chuf Mountains to the east of Beirut.

These officials said that the Syrians may have wanted to remind Mr. Shultz and Lebanese leaders that they should not forget the ability of Syria to cause trouble in Lebanon if an agreement is struck between Lebanon and Israel against Syrian interests.

Two weeks ago, a bomb virtually destroyed the U.S. Embassy chancery in West Beirut. About 60 Americans and Lebanese died in the chancery explosion, but U.S. officials declined to draw a connection between Sunday's rocket incident and the chancery bombing.

Polish radio reported Sunday night that Solidarity supporters in Wrocław managed to "infiltrate" the official parade, "chanting slogans that had nothing to do with today's holiday."

The radio also revealed that police had used water cannons and tear gas to break up an unauthorized rally in Nowa Huta, a southern steelmaking center near Krakow.

Other unauthorized demonstrations were officially reported in Poznan, Krakow, Szczecin, Bydgoszcz, Gdynia and Lodz.

The official media did not name the other 10 cities and towns in which it said pro-Solidarity rallies took place.

U.S. Correspondent Herb Thoms, formerly the AP bureau chief in Warsaw, said police confiscated four rolls of film, some showing Mr. Walesa at his balcony before a crowd who converged in the May Day show of support for Solidarity.

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Reagan, Still Without a Foreign Policy Success, Faces Ticking Political Clock

By Leslie H. Gelb
New York Times Service

WASHINGTON — The Reagan foreign policy is running out of time. With less than a year remaining before the distractions of the presidential primaries, there seems no escape from the question: Is the administration moving to the verge of serious failure?

The political turmoil of a presidential year does not mix well with the sustained diplomatic initiatives usually necessary for success.

Administration officials agree that they have yet to achieve a concrete foreign-policy success. But they insist that President Ronald Reagan is building up long-term leverage after devoting his energies to reversing what they say was the Soviet momentum of the 1970s and restoring American military power, prestige and diplomatic credibility.

"There is a better awareness here and abroad," said Undersecretary of Defense Fred C. Ikle, "that a bigger effort is needed to defend ourselves against the encroachments of the Soviet empire. There is also a greater sense that this president would respond, and vigorously, to

aggressive acts." This will soon bring dividends, officials say.

But Professor Stanley Hoffmann of Harvard University, a frequent critic of U.S. foreign policy, sounds alarms that are also voiced by many conservatives and by foreign diplomats. In a new book, "Dead Ends," he argues that the

NEWS ANALYSIS

Reagan ideology has "proved better as a ram against the rather flimsy diplomacy of Jimmy Carter than as a compass in the jungles of the real world."

"It has turned out to be utterly deficient as a strategy," he adds, "because it fails to address many real problems, it aggravates others, it provides no priority other than the anti-Soviet imperative, and precious little guidance even in connection with the new Cold War."

Mr. Reagan put his central theme to the test of congressional support Wednesday in a speech on Central America, trying to run over the opposition with a hard-line approach.

The results of a leftist takeover in El Salvador would be so catastrophic for U.S. interests, Mr. Reagan said, that he would do everything short

of sending troops to prevent it. More military and economic aid would do the job, he argued.

But in the judgment of many of his own key officials, it may take two to seven years to reverse the guerrilla tide, even with increased U.S. aid. That is a long haul with uncertain results. And a sizable number of legislators believe there is no chance of success unless the Salvadoran government is forced to take the near-impossible step of transforming itself from rightist to leftist control, with participation by groups on the left.

Critics believe Mr. Reagan may already have thrown away the chance for serious arm-twisting by trumpeting El Salvador as a "vital" American strategic interest. Also, American-supported covert military operations in Nicaragua seem not to be making headway. Slow deterioration of the U.S. position seems likely, and a dramatic setback is a possibility.

Events and administration decisions have conspired to put Mr. Reagan in a tight spot. He can either back down somewhat, at the expense of his tough-guy image, or he can make it "Reagan's war" in Central America, with far-reaching domestic implications.

The outlook in other important foreign policy sectors is also not bright, according to prevailing judgments.

• The Middle East. Mr. Reagan has improved relations with the Arabs somewhat, and reached an impasse with Israel. Many observers believe he has put U.S. prestige on the line without applying sufficient pressure to the Arabs and Israel to reach a measure of agreement. If he does not, his may be the first administration in 10 years to register no progress toward resolving Arab-Israeli differences and tamping down prospects for another war.

• China and Asia. Chinese-American ties were inevitably going to fray as Beijing moved toward re-establishing itself as a third power between Moscow and Washington. Mr. Reagan hoped to ameliorate the shift with his August 1982 communiqué pledging to reduce military sales to Taiwan. But when he seemed to renege, Beijing protested stormily. Now bilateral relations are generally viewed as the worst since the opening to China in 1971. With Soviet-American relations also collapsing, President Richard M. Nixon's carefully constructed triangular diplomacy is in jeopardy. Relations with the rest

of Asia seem to be in good shape, but the time bomb is still there, competition with Japan.

• East-West Relations. Some critics think the risks are increasing. Last week, former Vice President Walter F. Mondale argued that Mr. Reagan's approach had "squandered the mandate for a strong, sensible defense." Attacking Mr. Reagan's "intransigence in arms control," Mr. Mondale recommended a mutual and verifiable freeze on nuclear weapons. The White House is fighting to block a freeze resolution in the House this week. Also this week, Roman Catholic bishops will vote on their own proposal, which has been toughened in the last two weeks.

Washington still believes a military buildup will compel the Russians to come around to accepting its arms-control proposals. But the arms talks at Geneva seemed deadlocked and the administration is struggling to preserve even the appearance of serious dialogue. Plans to squeeze Moscow received another blow last week when the European Community dispatched a tough message to Washington protesting plans to tighten controls on trade with the Soviet Union.

• Western Europe. The administration is hopeful the Europeans will accept deployment of new medium-range missiles. Missiles aside, many European diplomats openly criticize the administration's "amateur" performance — lack of knowledge on the part of senior administration officials and what they see as gratuitous inflammation of European public opinion by talk of fighting nuclear wars.

• Africa. The State Department persuaded Mr. Reagan that the way to get Cuban troops out of Angola was by getting South Africa to relinquish control of South-West Africa, or Namibia. But first, ties with Pretoria had to be improved. Foreign policy specialists give high marks to the diplomats trying to negotiate their way through these minefields.

The Reagan people say they have not failed finally anywhere, that they have committed no irreversible mistakes and that successes are in the offing. But to produce an international success takes knowledge of how other governments work, sustained effort by the president and his senior advisers, and a willingness to make many compromises. Neutral observers believe these attributes are in short supply in Washington.

Reagan Seeks Change In Proposals to Limit Covert Military Action

By Hedrick Smith
New York Times Service

WASHINGTON — The Reagan administration is seeking, behind the scenes, to persuade the House Permanent Select Committee on Intelligence to modify possible restrictions on U.S. backing for military and paramilitary operations against Nicaraguan arms-running to neighboring Central American countries, administration officials said Friday.

These officials said that Deputy Secretary of State Kenneth Dam was in contact with Representative Edward P. Boland, Democrat of Massachusetts and the committee chairman and principal author of a bill to ban all covert aid through the Central Intelligence Agency to groups operating "in and against" Nicaragua. The committee is to vote on that measure this week.

After committee members met at the White House with President Ronald Reagan last Tuesday, Mr. Boland and Representative Clement J. Zablocki, Democrat of Wisconsin and chairman of the House Foreign Affairs Committee, formally submitted the legislative ban. However, they coupled it with a proposal for \$80 million in aid to Central American nations to help them interdict the flow of arms and munitions from Nicaragua to insurgent movements in neighboring countries.

With the administration increasingly resigned to some restrictions on CIA operations, the effort to provide overt aid to such countries as Honduras, El Salvador and possibly Guatemala was endorsed Friday by the House majority leader, Jim Wright of Texas, and the Senate majority leader, Howard H. Baker Jr. of Tennessee.

"I'm not perturbed by the idea we might not have covert aid," Mr. Baker said. "I have no fear at all of funding what we have to do down there overtly."

Mr. Wright said he was "absolutely, firmly and enthusiastically" behind Mr. Reagan's support for the Salvadoran government in its battle against insurgents, but that he totally opposed U.S. backing for operations into Nicaragua.

Administration officials indicated, however, that they were still not satisfied with the way the Boland proposal is now drafted, although they are more fearful of a proposal by Representative Michael D. Barnes, a Maryland Democrat.

The Barnes proposal, already passed by the subcommittee on Western Hemisphere affairs, would block all American backing, direct or indirect, for any such operations "in and against Nicaragua" unless Mr. Reagan makes an individual

request to Congress and gets specific approval for that funding.

Officials said that Mr. Dam was trying to persuade Mr. Boland to modify the language of his bill slightly, evidently to prevent a cut-off of funding for all intelligence operations affecting Nicaragua, not merely funding for Nicaraguan rebels.

The Boland-Zablocki bill is considerably less restrictive. It bans financing, either directly or indirectly, by the CIA or any other agency "involved in intelligence activities" for military or paramilitary operations "in or against Nicaragua."

But it permits aid to any friendly Central American government "to prevent use of its territory, or the use of international territory, for the transfer of military equipment from or through Cuba or Nicaragua" to insurgents fighting other regional governments.

Although some of those involved in the bill's drafting admit that it does not explicitly bar U.S. backing for operations that would enter Nicaraguan territory, Mr. Wright and others contended that was its intent. It does contain a provision banning aid to nations or groups "which seek to destabilize or overthrow any" government in the region.

Mr. Wright said that would mean a cutoff of American aid to two groups that are declared opponents of the Sandinist government in Nicaragua.

They are the Revolutionary Democratic Alliance, headed by Edén Pastora Gomez, a former Sandinist guerrilla leader known as Commander Zero, and the Democratic National Force, headed by former officers of the Nicaraguan National Guard under General Anastasio Somoza, who was deposed by the Sandinists in 1979.

Administration officials said that Mr. Dam was still seeking more flexible language in the Boland-Zablocki bill before it goes to an intelligence committee vote this week.

Nonetheless, in backing the administration's policy in El Salvador, Mr. Wright reflected developing divisions among Democrats over Mr. Reagan's appeal Wednesday night for congressional support for more military aid to El Salvador and more aid generally for Central America.

He took issue with the tone and substance of the Democratic response to Mr. Reagan by Senator Christopher J. Dodd of Connecticut. Mr. Dodd attacked the Reagan policy as a "formula for failure" and called for an alternative policy of seeking a negotiated political settlement with the Salvadoran guerrillas.

If Reagan Runs Again, He'll Ask Bush to Stay

By Juan Williams
Washington Post Service

HOUSTON — President Ronald Reagan has stated that if he seeks re-election in 1984 he will ask Vice President George Bush to run with him again because "you don't break up a combination that is working."

Mr. Reagan made the statement Saturday aboard Air Force One while returning to Washington after aides asked him to confirm comments published in the Houston Post.

Mr. Reagan, in an interview on his way to Texas, had said that he wanted Mr. Bush to be his running mate, but that the stress of being vice president might make Mr. Bush reluctant to run again.

"I think we get along just fine," Mr. Reagan was quoted as saying. "But it would be his decision to make and I understand when there comes a time when someone says 'enough already.'"

Shirley Green, Mr. Bush's acting press secretary, said the vice president had not said that he would run with Mr. Reagan. However, she said that Mr. Bush had indicated that he was only waiting for the president to say if he wanted a second Reagan-Bush ticket.

Mr. Reagan's remarks about Mr. Bush were made at the end of a heavily political weekend for the president that increased talk among his aides and supporters that he had decided to run again.

Speaking Friday night in Houston at a fund-raiser for Senator John G. Tower, Republican of Tex-

as, Mr. Reagan made stinging political jokes at the expense of the leading Democratic candidate for president, former Vice President Walter F. Mondale.

Claiming success for the easing of inflation and recent signs of economic recovery, Mr. Reagan said that despite Democratic claims to the contrary his economic policies had been fair to rich and poor.

In his weekly national radio address Saturday, Mr. Reagan said that he did not support increased federal spending on education despite a national commission's report last week that the poor quality of U.S. schools threatened the nation's future. The commission said the federal government must provide leadership and funds to help improve education.

Mr. Reagan's weekend remarks were criticized by Mr. Mondale and two other Democratic presidential candidates, Senator John H. Glenn Jr. of Ohio and Senator Gary Hart of Colorado.

"The president has said we need hope and we need to face the future. The problem is his policies do neither," Mr. Mondale, who was campaigning in New Hampshire, said in a statement.

Mr. Glenn, in a campaign speech in Marietta, Georgia, said that Mr. Reagan's budget cuts had also cut down the nation's standing as a leader in scientific research.

Mr. Hart issued a statement saying that "instead of talking about school prayer and tuition tax credits," the president "should be talking real steps to improve our educational system."



Mayor Harold Washington of Chicago and his predecessor, Jane M. Byrne, whom he beat in the Democratic primary, after his inaugural ceremony.

Washington Installed as Mayor, Takes Aim at Chicago's Deficit

United Press International

CHICAGO — Harold Washington, sworn in as the first black mayor of the nation's second largest city, immediately promised to tackle a projected \$150-million deficit by freezing salaries and firing Chicago city workers hired in the last days of Mayor Jane M. Byrne's administration.

Mr. Washington was sworn in Friday as the city's 42nd mayor during a gala ceremony for about 3,000 invited guests. Being mayor "makes me humble, but it also makes me glad," the 61-year-old former congressman said in a five-minute address.

"I hope someday to be remembered by history as the mayor who cared about people and who was fair — who helped to heal our wounds and who stood the watch while the city and its people answered the greatest challenge in more than a century — who saw his city renewed."

Mrs. Byrne stared stonily ahead as Mr. Washington promised, "Business as usual will not be acceptable." The audience cheered repeatedly. "Beginning Monday, executive salaries will be cut. Some members of my cabinet will be required to take salaries considerably less than their counterparts are making now," he said.

After edging past Mrs. Byrne in the Feb. 22 Democratic primary, Mr. Washington defeated Bernard E. Epton, a white Republican, by 68,250 votes following a racially charged campaign.

U.S. Catholic Bishops To Decide Arms Stand

By Kenneth A. Briggs
New York Times Service

NEW YORK — The Roman Catholic bishops of the United States are set to conclude their arduous, sometimes stormy formulation of a pastoral letter that is sharply critical of nuclear arms.

Debate among the 284 bishops at a special two-day meeting, starting Monday in Chicago, will focus on the third draft of the letter that was released in April after wide-ranging consultations, including those with European prelates at the Vatican and with Reagan administration officials.

The proposed third draft was being revised almost up to the last minute, and it was announced Friday that the five-member drafting committee had restored a stronger endorsement of the concept of a nuclear arms freeze.

A spokesman for the committee said the document would now favor a "halt" to the production and deployment of nuclear weapons. When the third draft was released April 6, the word "halt" which was used in the second draft, had been changed to "curb."

The return to the stronger language resulted from protests from many bishops and public reaction suggesting that the committee had softened its stand because of pressure from the administration.

Even before the committee's decision, it seemed likely that the full bishops' conference would have voted to restore the term used in the second draft.

Some of the third draft's key changes were made in a two-day meeting of the committee a week before it was released. The sessions were heated, according to officials, and centered on differences among the five members.

The third draft retains the substance of the previous version, condemning nuclear war, opposing a first strike and accepting nuclear deterrence only as a step toward disarmament. But at several points, it differs from the second draft in tone and wording.

Among the revisions is a longer section on the traditional "just war" theory of legitimate self-defense.

There are also stronger criticisms of the Soviet Union's responsibility for the arms race and some flexibility about the possibility of a limited nuclear war.

Some bishops say the third draft weakens the case for nonviolence as a moral position and delineates more clearly between moral principles

and their practical application. It stresses that while the principles are binding, Catholics may honestly have different answers to practical questions.

Many Catholic conservatives who opposed elements of the second draft have praised the revised document as more realistic. Many liberals have criticized some of the changes.

For Christ, an international Catholic peace group, gathered 269 signatures of American theologians on a petition backing the second draft. Joseph J. Fahey, a Manhattan College professor who distributed the petition, said several theologians had urged an even stronger stand against nuclear deterrence.

After the second draft was debated by the full bishops' conference in November, the committee held five meetings to adopt revisions.

According to several accounts, Bishop John J. O'Connor of the Military Vicariate, which oversees Catholics in the armed forces, tried to soften some anti-nuclear positions, while Bishop Thomas J. Gumbleton of Detroit strenuously opposed the effort. The committee rejected some O'Connor proposals and accepted others.

Some changes were made, officials said, in response to January meetings in Rome among U.S. bishops, Vatican officials and European prelates. West German bishops were critical of the second draft's strong stand against nuclear deterrence.

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U.S., Soviet Reportedly Harden Missile Stance

By Walter Pincus
Washington Post Service

WASHINGTON — The United States and the Soviet Union have hardened their negotiating positions on medium-range nuclear missiles, dimming the prospect of a breakthrough in the Geneva arms talks and promising new strains in December when the first new U.S. Pershing-2 and cruise missiles are to be deployed in Western Europe.

With the talks scheduled to resume in Geneva on May 17, both sides appear to be preparing for how they will react to deployment rather than trying to reach agreement to head it off, according to sources inside and outside the Reagan administration.

If the initial nine Pershing-2 missiles are placed in West Germany and 32 cruise missiles in Britain and Italy as scheduled, sources said, the Soviet Union is expected to break off the talks on medium-range missiles.

U.S. officials believe, however, that the Soviet Union would eventually return to negotiating because, as one leading administration official put it, it would not want all 572 new U.S. missiles to be deployed and could not afford to alienate public opinion, particularly in Western Europe, by abandoning arms control efforts.

But diplomatic sources said the Soviet Union might not begin negotiating again until it had taken some new step in the arms race. That is because, as one source said, U.S. deployments will create a new nuclear threat to which Soviet civilian leaders, under pressure from their military, must respond.

Publicly, Soviet officials have threatened to deploy "comparable" nuclear missiles if the new U.S. missiles are installed in Western Europe by the North Atlantic Treaty Organization. The Pershing-2 could strike targets inside the Soviet Union within about eight min-

utes of being launched from West German bases.

According to Soviet sources, such a comparable weapon would involve Soviet nuclear missiles that could hit targets on U.S. soil within minutes of launch.

U.S. officials said this might mean that Soviet SS-20 missiles, with a range of several thousand miles, would be stationed in the eastern Soviet Union, from which they could hit Alaska and perhaps the state of Washington, or that Moscow might deploy additional missile-firing submarines or ships within range of the U.S. coasts.

In private conversations in Geneva, the Soviet Union has also threatened to pull out of the strategic nuclear arms negotiations, those involving intercontinental missiles. But the Reagan administration believes they will not. U.S. officials said.

Given the current situation, little work is being done in the administration, sources said, to expand President Ronald Reagan's pronouncement in March that he is prepared to have the Kremlin set some interim limit on missile warheads that would be equally applied to both sides.

The original U.S. plan, supported by the British, was to set a limit for U.S. and Soviet medium-range missiles of no more than 300 warheads and 100 launchers on each side. But the numbers were reduced, reportedly at the suggestion of West Germany's chancellor, Helmut Kohl, to force Moscow to pick a number between zero and 372, the number of warheads planned for the full NATO missile deployment program.

To date, however, the Soviet Union is holding fast publicly and privately to the position that no U.S. missiles be deployed, sources said.

One key to any breakthrough for an interim agreement, according to administration and diplomatic

sources, would be to drop deployment of the Pershing-2.

Paul H. Nitze, the chief U.S. negotiator, proposed dropping the Pershings in informal talks last July with his Soviet counterpart. When Moscow indicated that it was not prepared to accept a low number of cruise missiles only, Washington turned against Mr. Nitze's proposal.

Recently, amid indications that the Soviet Union might reconsider, Washington made some discreet inquiries. Administration sources said last week, "They were not interested," a U.S. official said Saturday.

Last Tuesday, the new director of the Arms Control and Disarmament Agency, Kenneth L. Adelman, caused some confusion by telling West European reporters here that the United States would consider "a serious Soviet proposal," including one to eliminate the Pershing-2.

"The kind of mix and the kind of systems," Mr. Adelman said, "should be worked out by our negotiators in Geneva."

After restating that approach three times in the interview, Mr. Adelman was reminded by a journalist that other Reagan administration officials recently "had ruled out giving up the Pershing-2."

"I would agree with that statement," Mr. Adelman said, although he still maintained that, if given a serious Soviet proposal eliminating the Pershing but allowing cruise missile warheads in numbers equal to Soviet SS-20s, "we would negotiate, we would talk about it."

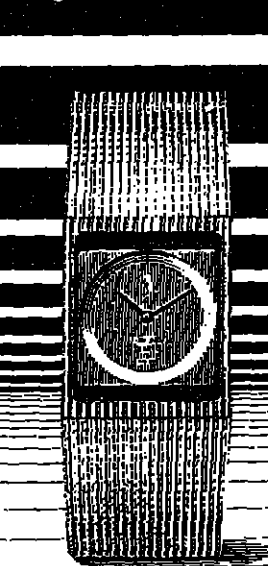
However, when European press reports appeared Wednesday saying that Mr. Adelman would be willing to give up Pershing-2 deployment as part of a negotiated agreement, the State Department issued a statement saying, "This is an incorrect translation of Ambassador Adelman's remarks."

Rebels Attack Ethiopians

United Press International

KHARTOUM, Sudan — A guerrilla group fighting for the independence of Tigre province in northern Ethiopia said Saturday that it had killed 115 Ethiopian soldiers and captured 70 in the ambush of a supply train last week.

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EUROBONDS

By BOB HAGERTY

Money Managers Position Funds For Long Expected Fall in Dollar

LONDON — Hope apparently does spring eternal, at least where the dollar is concerned. Forecasters have been proclaiming its imminent decline for more than two years, but the dollar has become even stronger. Yet an informal telephone survey of bond fund managers indicates widespread expectation that the dollar's value will crumble sometime this year. The money managers are being very cautious, however, about committing themselves to the question of when and how much.

"That's the joker in the pack," said Alan Wrigley, director of Liquid Securities in London.

As for the Deutsche mark, the managers generally are feeling ambivalent. It failed them by refusing to live up to near-unanimous forecasts that it would soar as soon as Chancellor Helmut Kohl's center-right government won the March election.

On the other hand, managers remain optimistic about the yen's strength, although that currency, too, has been lagging about fulfilling forecasts.

"We believe, and have for some time, that the yen is by far the cheapest currency in the world," said Peter Scott, investment strategist for Gartmore Fund Managers, London.

Though U.S. budget policy is "still in a mess," he expects U.S. interest rates to fall eventually, bringing the dollar lower. In the meantime, Mr. Scott believes that the yen is a much safer haven than the mark. If U.S. rates stay high, the mark is "more vulnerable," he said.

By pursuing a yen strategy, Mr. Scott said, "I think we're in the crowd here, and I don't like being in the crowd." He likes the yen and mark, "but I wouldn't want to put a strong bet on either."

So GT's international bond fund is well spread: about 37 percent in yen paper, 30 percent in dollar, 21 percent in mark, 7 percent in French franc and 3 percent in Swiss franc.

Bank of Bermuda is similarly skeptical. "Basically, we've been very defensive and very liquid and very high quality," Mr. Thomson said. The bank's international bond fund is about 40 percent invested in paper maturing in six months or less.

The next major move in long-term rates, Mr. Thomson said, will probably be up. "We think there's very little money to be made in the bond markets this year, unlike last year," he said.

Gartmore prefers bonds to equities in the short term. After a correction in the stock markets, though, it sees equities moving back into the front. Even so, Mr. Scott said, the bond markets have no disaster this year. He expects the economic recovery to be moderate enough to avoid undue growth in private credit demand.

Mr. Donker has not given up on a drop in long-term rates. He expects yields on long-term U.S. Treasury issues to fall to between 9 and 9.5 percent this year from the current level of about 10.5 percent. Thus, the fund managed by Roreto plans to keep about 40 percent of its money in U.S. government paper, half of it long-term.

"We are very optimistic about American credit markets," Mr. Donker said. "That's why we have this position."

Mr. Wrigley also sees hope for lower rates. He said a sharp decline may be much closer than is generally thought, although he is not quite ready to increase bond holdings.

He noted the strong response last week when Barclays bank sold \$400 million of 20-year bonds on the U.S. domestic market. "It's an indication that there are big buyers out there for the right bond," Mr. Wrigley said.

"For the right news, the market will go like a rocket," he said. "It's lagging, and it needs a little shove."

International Herald Tribune

Carl Gewirtz is on assignment in the Far East.

Union Ties Problems Of Wilson to Futures

United Press International

OKLAHOMA CITY — Wilson Foods Corp. gambled and lost on the commodity-futures market, forcing the largest U.S. pork packer to file for protection under the U.S. Bankruptcy Code, an official with the United Food and Commercial Workers Union said.

Assertions that excessive labor costs drove Wilson to the filing were a smokescreen to hide its financial blunders, Everett R. Nunn, president of the union's local in Oklahoma City, said Friday.

"We have reason to believe," he said, "that Wilson Foods lost over \$12 million by gambling in the commodity live-hog futures markets and this is what prompted the company to file Chapter 11" under the federal bankruptcy code.

Charles Levitt, an analyst with Shearson/American Express in Chicago, said Wilson's problems stemmed from high labor costs as well as its losses in the futures market and inefficiency at processing.

"If they're not taking advantage of processing like other packers and they're under a master contract where they have to pay their slaughter people one and a half times the going amount for doing that job," he said.

Wilson Foods filed for protection from creditors April 23, alleging that excessive labor costs threatened the survival of the company.

Group Asks U.S. Productivity Push

By H. Erich Heinemann

New York Times Service

NEW YORK — A group of leading businessmen and educators has called for a major effort by the federal government and the private sector to reverse the long-term slowdown in the growth of productivity in the U.S. economy.

Without an improvement in productivity, which is usually measured as worker output per hour,

the group said, the United States "faces the very real prospect of reduced standards of living for all its citizens and of a threatened national security."

This assessment came Friday from the prestigious research and policy committee of the Committee for Economic Development. The group, which is composed of 200 senior corporate officials, most of them chief executives, and university presidents, was founded in 1942 to provide a platform to influence major issues of public policy.

The committee, which was headed by William F. May, dean of the Graduate School of Business Administration at New York University, called for action in these areas:

- Full, rather than partial, financing of basic research done under government contract by the nation's universities.
- Reduction of "unnecessary and inefficient regulatory constraints" on the productivity of labor and management.
- Cutting back "inhibitions to the movement of capital, labor and other resources" from low-growth to high-growth industries. The report, the slump, which is "neither a recent nor a temporary phenomenon," has left productivity performance in the United States well below that of other industrial nations, particularly West Germany and Japan.

• Creation of "a climate that en-

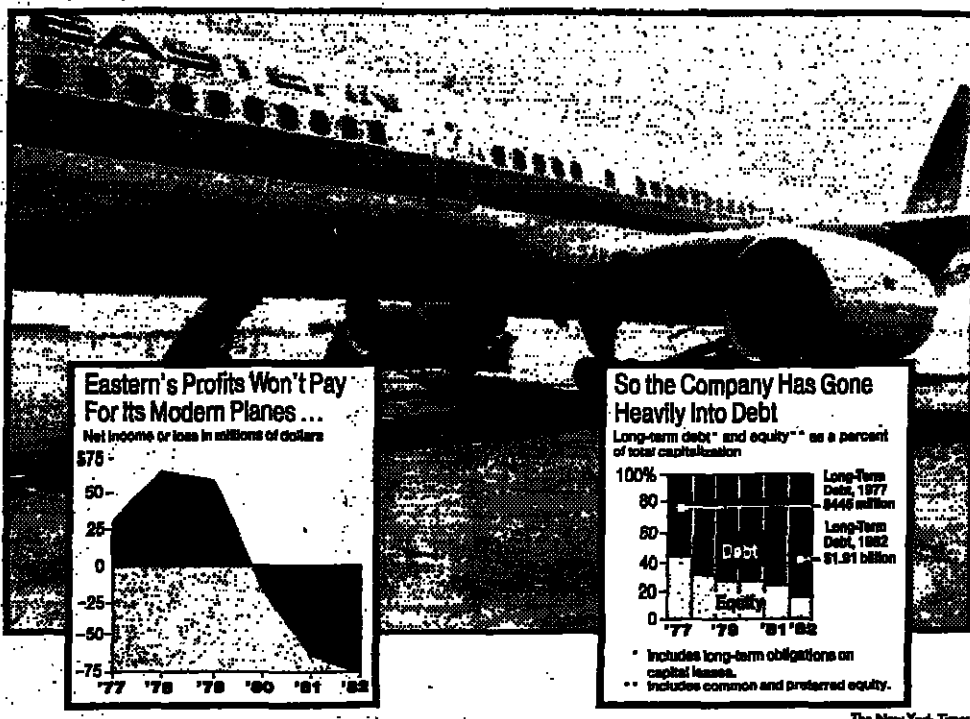
courages entrepreneurial initiative." The report, for example, advocated much broader use of compensation based on performance.

• Restructuring of labor-management relationships to create incentives for cooperative action to increase productivity through automation, and the use of "labor-management participation teams" that can give workers a greater voice.

• Removal of impediments to saving and investment by business. The emphasis in the report on new incentives for private saving and investment — in effect, incentives to increase the machinery or tools that make possible an improvement in productivity — is already part of the policies of the Reagan administration. However, the call for direct federal support of basic research and development at universities, "even at the expense of other federal programs," appeared to go beyond what the president has been prepared to support.

The committee's report said that the rate of growth in productivity had practically come to a halt in the last 15 years. According to the report, the slump, which is "neither a recent nor a temporary phenomenon," has left productivity performance in the United States well below that of other industrial nations, particularly West Germany and Japan.

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Strategy Squeezes Eastern

By Agis Salpukas

New York Times Service

NEW YORK — During most of the recession, and in the face of losses, Eastern Airlines has clung to its bold strategy of modernizing its fleet of planes, once one of the most outdated in the United States.

But the strategy, in which Eastern committed itself to buy about \$3 billion worth of aircraft, has put a severe strain on its balance sheet.

The strategy has also upset some of the carrier's union and nonunion employees. Many of them feel that the equipment program crowded out concerns for their welfare. It is one reason why some of the unions at Eastern are determined to catch up with industry pay levels in the current round of wage negotiations.

Frank Borman, Eastern's chairman, has declared repeatedly that without an efficient fleet, Eastern will not be able to survive in the harsh competition brought by deregulation of the airline industry.

"The priorities were put on equipment," said Marty Urra, president of Local 702 of the International As-

sociation of Machinists and Aerospace Workers union, representing 6,000 Eastern employees. "Morale had dropped significantly, and so had productivity."

As a result, one of the key underpinnings of the strategy — the willingness of unions to restrain their wage demands and participate in a program in which they gave up part of their wages in return for a share in future profits — has been knocked apart in the last two months.

In March, for example, the 13,500 members of District 100 of the International Association of Machinists and Aerospace Workers won a pact that will provide them with raises of 32.20 percent during the next two years and will cost Eastern about \$170 million.

"The settlement is a difficult one and requires a lot of effort from all of us to meet," Mr. Borman recently acknowledged.

Last month, Eastern disclosed that, because of the machinists' settlement and pending negotiations with other unions, the airline could be in default by next few months unless its creditors agree to further modification.

(Continued on Page 11)

Brazil, After Recent Debt Rescue, Now Forced to Seek New Funds

By Warren Hoge

New York Times Service

RIO DE JANEIRO — Two months after securing a rescue package involving multi-billion-dollar loans from the International Monetary Fund, the U.S. Treasury, the Bank for International Settlements, and foreign bankers, Brazil, the world's largest debtor nation, is seeking to borrow more money.

The country's spending in the first quarter of 1983 has grown far beyond the guidelines established with the International Monetary Fund, and an agency official from Washington is in Brasilia asking for explanations.

"The program really only got started in March, and the IMF may have overlooked the fact that it takes time for exports and payments of this type to generate cash surpluses," said Antonio Gebauer, vice president of Morgan Guaranty Trust and the principal U.S. banking figure in the international operation of assistance to Brazil. He said, however, that the country would have to get "tougher" with the giant state companies whose debts have swollen the public deficit to a point that has alarmed the IMF.

Brazilian officials are telling their creditor banks that they require at least \$1.5 billion to overcome cash flow problems between now and June. More pessimistic estimates in the banking community put the country's needs at \$3 billion to \$4 billion.

The key determinant in figuring the final total will be the degree of success that Brazil has in meeting its goal of a \$6-billion trade surplus this year. After a slow start, at the beginning of the year, the country posted a \$314-million surplus in March, and government officials are hoping for a \$700-million positive balance in April.

Government officials are insisting that they will reach their \$6-billion goal. Many observers remain skeptical, however, pointing out that much of the sudden gain is attributable more to falling prices of petroleum, which Brazil imports, than to the performance of Brazilian exports.

The political opposition in Brazil has opposed calls for a formal moratorium on economic growth. The opposition, which was newly enfranchised last November by the first gubernatorial elections allowed by the ruling military in 17 years, is arguing that social conditions do not permit Brazil to impose austerity on the country at this time to reduce its \$88-billion foreign debt. Recent riots in São Paulo, the opposition says, are a sign of public restiveness with the idea of economic growth.

Among those supporting a moratorium, citing rising sales for their new auto models in France since January, said that 1983 looked like a much brighter year. Peugeot said that it might even wind up in the black.

"Unless we face new strikes or similar actions, we will be back in balance in 1983," said Jacques Calvet, vice chairman of the Peugeot group, comprising the Peugeot, Citroën, and Talbot divisions. During an interview at company headquarters Friday, Mr. Calvet said that this meant that there would be a "substantial" reduction in previous losses and possibly even a profit of about 100 million francs.

The present outlook for the group's worldwide car sales has brightened considerably, Mr. Calvet said. According to the company's latest projections, he said, total 1983 volume will rise to about 83 billion francs from 75.5 billion francs in 1982. Peugeot's total sales were — and will continue to be — split about 50-50 between France and other Western nations, primarily Western Europe, Mr. Calvet said.

Assuming that the French economy and the social climate remain "stable" during the rest of the year, Peugeot expects to generate increased sales and profits primarily by increasing its share of the

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Renault Says Its Deficit Grew Sharply Last Year

By Axel Krause

International Herald Tribune

PARIS — France's state-owned automaker Renault later this month will report that its 1982 net loss swelled to almost 2 billion francs (about \$271 million) from a 675-million-franc deficit in 1981, company officials have disclosed.

Last year's losses stemmed primarily from a combination of strikes in France; start-up costs for new plants; increased labor costs; a temporary price freeze, and a substantial investment program, industry sources in Paris said.

Similar factors were cited Friday by executives of France's privately owned Peugeot after the company had reported Thursday a 1982 net loss of about 2.1 billion francs, compared to a 1.9-billion loss the year before.

The severe losses of France's two largest automakers — and West Germany's Volkswagen, which reported a 300-million-Deutsche mark (\$120-million) loss last week — contrasted sharply with greatly improved 1982 results in Europe reported by General Motors and Ford. "We are both doing well in Europe and Britain," a GM official said, noting that GM last year earned \$6.2 million on its European operations, following a 1981 net loss of \$426 million.

"Yes, the Americans are doing better in Europe," a senior Peugeot executive commented, "but they also have been operating successfully in countries like Britain, Germany which did not have the same problems as we in France — that is, during 1982."

Indeed, both Renault and Peugeot, citing rising sales for their new auto models in France since January, said that 1983 looked like a much brighter year. Peugeot said that it might even wind up in the black.

"Unless we face new strikes or similar actions, we will be back in balance in 1983," said Jacques Calvet, vice chairman of the Peugeot group, comprising the Peugeot, Citroën, and Talbot divisions. During an interview at company headquarters Friday, Mr. Calvet said that this meant that there would be a "substantial" reduction in previous losses and possibly even a profit of about 100 million francs.

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Jacques Calvet

Chile Announces Accord For New Loans, Debt Delay

The Associated Press

SANTIAGO — Chile has announced a tentative agreement with its creditors to delay \$3.4 billion in foreign debt payments due this year and next, and to receive an additional \$1.5 billion in loans.

The debt-relief package, outlined on Friday by the Finance Ministry, carries sharply increased interest rates similar to those set in recent negotiations between foreign banks and Latin America's three biggest borrowers — Brazil, Mexico and Argentina.

Chile's external debt would rise to \$19.5 billion under terms of the agreement reached

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NEW EUROBOND ISSUES

Issuer	Amount (millions)	Maturity	Coupon %	Price	Yield At Offer	Terms
Deutsche Bk Luxembourg	240	1991	3%	100	3%	Each bond with a nominal value of 1,000 DM entitles the holder to purchase three Deutsche Bank shares of a price of 335 DM per share. The bank said the bonds will be up for sale between May 2 and May 6.
European Investment Bk	200	1993	7 1/2%	100	7 1/2%	Noncallable.
Malaysia	100	1990	8 1/4%	100	8 1/4%	First call at 101 in 1988.
European Economic Comm.	200	1993	8%	open	—	Noncallable. Sinking fund starting in 1989 to reduce coverage life to 6.5 years.

Chinese Boost Activity on Commodity Markets

Reuters
LONDON — China has markedly increased its trading activities on the commodity markets during the past two months due to the recent rise in the amount of foreign currency at its disposal, according to traders in London.

They say the Chinese, who have traditionally kept themselves inconspicuous on the commodity markets, have also taken advantage of wide price swings. This has

made the market is somewhat nervous, traders said, because, if prices rise too steeply, the Chinese could sell part of this back in order to reap profits.

China has recently bought large quantities of copper, zinc, steel and rubber on the London and Singapore exchanges, and traders see the purchases as a sign that Peking is now planning the industrial expansion it has been aiming at for years. China last week announced a

record grain harvest and improved sugar and oilseed output in 1982. Traders say that China's foreign trade surplus of \$2.83 billion gives the country the hard currency for purchases needed for industrial expansion.

The price of copper on the London Metal Exchange has risen during the last two months partly because the Chinese have bought an estimated 200,000 metric tons. Traders say the market has be-

come concerned over possible profit taking. Chinese buyers, however, have told merchants the copper is needed to meet expanded industrial demand, and traders said shipping inquiries have been made to load copper from Rotterdam.

China has also recently bought zinc, with estimates ranging widely from 40,000 tons to 150,000 tons, mainly direct from producers, traders said. Market participants say that the zinc is needed for stocking or industrial expansion.

In the rubber market, traders report fairly substantial Chinese purchases of Thai rubber during the last two months. These have put up the price on the Far East markets.

Prices have fallen in the past few days because some dealers realize that they may have overestimated the size of the Chinese purchases but traders in London estimate total buying by the Chinese is well above the depressed levels of a year ago.

According to Japanese steel industry sources, China last week bought 200,000 tons of steel pipe from Japan. China now has bought about 500,000 tons from Japan so far this year, already well above the 300,000 tons it bought in 1982.

BIS Trying to Improve Its Statistics

By Andrew Gowers

Basel — The Bank for International Settlements has begun a drive to improve its statistics, according to BIS officials.

The officials said that, while it may not be possible to produce the figures more quickly — some banks and analysts are critical of the time that it takes to compile and publish them, especially since the world debt crisis began — the BIS may at least be able to make its data more comprehensive.

BIS figures are practically the only regular record of international commercial lending.

The aim of the new campaign is to get banks to report their foreign loans every six months on what is called a consolidated basis, officials said.

This would bring the little-recorded banking activities of offshore centers under BIS scrutiny, since it would mean that lending by an international banking group's foreign subsidiaries to individual countries would be recorded with lending by the parent bank.

Now, U.S. banks report on a partly consolidated basis, turning in data from branches in the Bahamas, the Cayman Islands, Panama, Hong Kong and Singapore. Switzerland has also demanded consolidated figures from its major banks. Swiss National Bank officials said that at least 80 of the largest banks have to provide such data every six months, probably starting at the end of next year.

Other countries make quarterly reports to the BIS, submitting figures on lending by banks based in the country and omitting the activities of their foreign subsidiaries.

The BIS governors decided in principle three months ago to switch methods. BIS officials said that most countries represented in the BIS were capable of compiling consolidated figures but that it would probably be years before their banks started providing the data needed.

Consolidated statistics are difficult to compile. The BIS is only just beginning to tackle the technical and conceptual complexities involved, the officials said. One risk is that of double counting, which could arise if a loan were recorded by both the parent and the host country.

Despite the problems, the officials said that fuller figures would give a much more precise picture of

the debts of individual countries. That is the main idea behind the new method, they said, but they conceded that the extra information could also help national authorities supervise banking.

Swiss National Bank officials said last week that one of their reasons for seeking the fuller data was the dictum, enshrined in the rules of international banking supervision, that the authority of the parent bank is responsible for supervising the entire group.

Another difficulty in improving the data, BIS officials said, is banks' unwillingness to report additional information on such a sensitive activity as international lending.

They said Swiss banks, for example, are traditionally uncooperative in giving figures. Large Dutch and Belgian banks are also wary of disclosing more information, not wanting to pass valuable information to their competitors.

The BIS's quarterly survey, "In-

ternational Banking Developments," usually appears more than three months after the quarter it covers, and officials said that there is no imminent prospect of getting it out much earlier.

The main problem is that banks report to their national authorities and not directly to the BIS, the officials said. One said that banks were unwilling to deliver confidential information about their business into the hands of an international organization.

Giscard Asks Movement to Fixed Rates

By Bernard D. Nossiter

New York Times Service

NEW YORK — Valéry Giscard d'Estaing, France's former president and finance minister, has proposed an end to floating exchange rates and urged that the dollar and yen move within predetermined limits around Western Europe's currencies.

"I am proposing a movement toward a fixed-exchange-rate system," he said in an interview last week. "We are heading toward a band," he said, "with intervention at the limits of the band."

Up to now, the Reagan administration has opposed intervention except under extraordinary circumstances, although Paul A. Volcker, chairman of the Federal Reserve Board, on Thursday endorsed a limited buying and selling of dollars, "to help stabilize exchange rates within the general framework of the floating system."

Mr. Giscard d'Estaing would go further. In his view, upper and lower limits should be set for the dollar and the yen in relation to European currencies. The major European currencies, except for the pound, are already tied to each other and permitted to fluctuate 2.25 percent above and below announced values.

Holding the dollar and yen inside a given range, or band, would have two advantages, Mr. Giscard d'Estaing said. It would "link domestic monetary policy to objective values and aims" and remove uncertainty about future exchange rates, he said. "There is need for people to have some knowledge and security about the future value of their currency," he said.

Mr. Giscard d'Estaing, who was in New York to give the Russell C. Leffingwell lectures at the Council on Foreign Relations, said that the band system should be introduced gradually. Central banks should quickly reduce the swings in currencies and make no public announcements of fixed limits for several years. "It would be imprudent to go too far too fast," he said.

Iran Says It Has Met Its Oil Commitments

Reuters

LONDON — Iran sold \$23 billion worth of oil in the year to March 20, according to Oil Minister Mohammed Ghazali.

The national news agency quoted him as saying that his ministry had met its commitments to buyers despite Iraqi threats against the country's Kharg Island terminal.

Brazil Now Seeking New Funds

(Continued from Page 7)

on assumptions of 150 percent year-end inflation.

The debt figure for the first quarter has not been made public, but government officials conceded it has greatly exceeded the \$6.4-billion figure forecast in the IMF accord. In the first quarter, the government was \$950 million over budget in outlays for subsidies for oil, wheat and sugar and special Banco do Brasil coverage for delayed payments on the foreign debts of state companies. These public companies, in general, appear to have grown beyond the capacity of the government to rein in their expenditures.

The country had agreed to reduce the deficit this year from 16.9 percent to 3.8 percent of gross national product. It is now asking the IMF to replace its formula with one that would allow the country to establish a fixed numerical goal rather than one tied to its gross national product. It is arguing that the percentage formula was based on a 90-percent inflation prediction and could not take into account a 30-percent devaluation decreed Feb. 18. The action had the effect of increasing public debt.

The funds that Brazil is seeking abroad are supposed to go towards trade-related and inter-bank credits, but if there is resistance to that approach, the country may have to try to put together another jumbo loan. Those two categories were known as Project Three and Project Four of a four-part plan that Brazil put to international banks in December in New York.

Project One, a jumbo loan of \$4.4 billion, and Project Two, the rescheduling of \$4.7 billion in amortization payments for the year, were signed on Feb. 28.

Brazil had originally sought \$10.6 billion in inter-bank credits but then lowered the goal to \$7.5 billion. The country has only succeeded in attracting \$6.2 billion. As for export financing, bankers say that an additional \$1.5 billion is needed.

Officials are arguing that the country's liquidity crunch will start to end in June with the accumulation of foreign currency from its trade surpluses.

The original part of the rescue package had been \$600 million in bridge loans from U.S. banks in

answer to the original liquidity crisis in September. Then, in December, the U.S. government and the Bank for International Settlements, representing European central banks, each granted Brazil loans of \$1.2 billion.

The U.S. loan has been repaid, but the BIS loan is still being repaid with \$450 million of each \$511-million quarterly drawdown from the IMF. A foreign banker pointed out that this obligation in effect was negating the purpose of the IMF mission, which was to restore the country's liquidity.

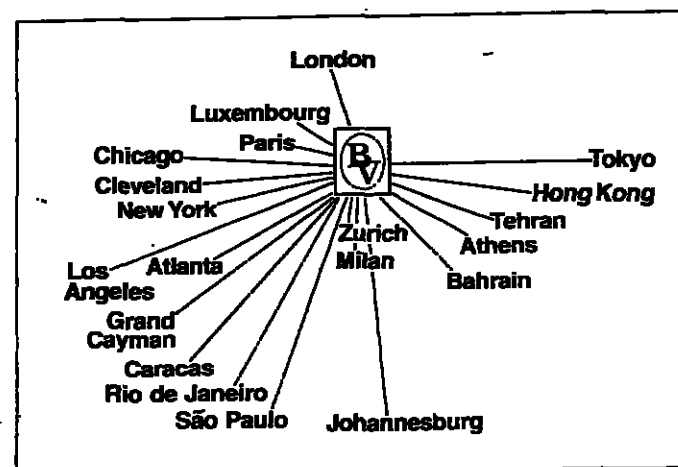
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Money-Supply Fall Seen Cutting Rates

4665 17-16 1 1/4 17-16
50 25 1/2 31 25 1/4—
378 11 27 62 1/2

the U.S. money supply will lead to	tremendously critical of high interest	at funds rate — the interest rate
lower interest rates.	rates in the United States, which	that banks charge on overnight

U.S. CREDIT MARKETS

claimed \$2 billion in the week ended April 20, which brought the decline to 100%, to yield 10.32 percent. But yields on short-term bills remained

(Continued from Page 7) This year, he said, the company is locked in since it has already

Meanwhile, however, Eastern has been left with a number of

Only hours after members of the

He also acknowledged that Eastern is an effort to revitalize financial

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and

POSITION	SALARY	EMPLOYER	LOCAT.	QUALIFICATIONS	CONTACT	Source
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For the Week Ending April 29, 1983

36	14%	r	r	30%	35	11-15	14%	r	r	36%	62%	2%	5
4%	s	r	s	Esmark	55	r	r	r	14%	36%	35	1%	2%
2%	s	r	s	43%	60	r	r	r	34%	SupOn	20	15%	r
r	5%	r	13%	63%	65	2%	r	r	r	35	25	10%	10%

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1. *Journal of Management Studies*, 1996, 33, 1, 1-14.

LANGUAGE

The Bloopies of '83

By William Safire

WASHINGTON — It's that time of year when doting copywriters get to gorge themselves on just desserts. The envelopes, please.

The Teeny-Tiny Golden Toothpick for Meaning Mix-Up, to Brownstone Studio for "Heavy crepe de Chine in a dress that pampers and belittles every lovely inch of the way." *Belittle* was used by Thomas Jefferson to mean "make less of" in the sense of "to disparage, demean," and cannot be reduced to a literal meaning of "to make someone smaller."

The Twisted Jump Rope for the Confusion of the Same Word as Noun and Verb, to U.S. News & World Report for "Many magazine readers are inclined to skim. They skim to the sports. Skim to the movies. Skim to the gossip. . . . We give you the cream. Not the skim." I think the verb the copywriter had in mind was skip. When you skip, you take off the cream. The skim is the cream, leaving behind skimmed milk or, if you like old-fashioned endings, skim milk.

The Highest-Falutin Platinum Option for Ill-Chosen Modifier, to J.K. W. Seligman, the bankers, for "It is, in the rarefied world of money management, somewhat unique to become quite successful and at the same time remain somewhat unknown." It is, in the plebeian world of grammar, incorrect to knock down an absolute, like unique without its becoming all too well-known.

The Creme-Filled Cookie for Unnatural Acts in Advertising, to Lancome, Paris, for "Protective day cream . . . in natural and tints." For years, plain was the word to describe "unaltered, uncolored, or unflavored." That was emphasized by natural, which was too plain, and now we have natural. In a related development, Chanel's creme makeup (nobody can spell it cream unless it contains cream) offers itself with "allow skin to breathe, naturally." That shows what a comma can do: As it stands, the phrase means "allows skin to breathe, of course, as any fool can plainly see." Without the comma, the phrase reads "allows skin to breathe naturally," or, as they say at Lancome, naturally.

The Silver Erratum for Trying Too Hard to Show Off in Latin, to

Town & Country magazine for "For the names, addresses and modus operandi of these craftsmen." Never pluralize the genitive when a Latin lover is in the room. (That comes from Winston Churchill's advice about Count Ciano and Mussolini: "Never talk to the monkey when the organ grinder is in the room.") The nominative *modus*, not the genitive *operandi*, gets the plural: *modi operandi*.

The Bend-Over-Backward Antisense Computerized Statuette, to IBM for "Everyone compares the quality of their electronic typewriters to the IBM Electronic 75." When a reader asked why they matched the singular *everyone* with the plural *their* and *typewriters*, a spokesperson replied, "Their is used to avoid the sexist his or her. Once their is chosen, then typewriters is correct, being closer to their in the sentence than to everyone." All these contortions could be avoided by changing *Everyone compares to People compare*. As the great producers say, when in doubt, recast.

When the French government threw 47 Soviet officials out of the country for spying, a spokesman for President Mitterrand told reporters that the action demonstrated that his government had no intention of having a *ventre mou*.

Interesting problem in translation: *Ventre* means "belly," and *mou* means "soft." At first, the reports were that France was determined to show that it was not the "soft underbelly" that some suspected it might be. That was taken from a recollection of Winston Churchill's phrase about the Balkans being "the soft underbelly of the Axis."

On sober reflection, the English-speaking journalists covering the story turned to an American colloquialism to render the meaning of *ventre mou*: "gutless." That is a long step from "soft belly," but far better expresses the meaning of what the French spokesman said.

We shall now see whether the French, jealous of the purity of their tongue, will stick to the French phrase or adopt *gutless*. These days, it takes a Frenchman *avec beaucoup de courage* to use an English word.

New York Times Service

Kaufman and Hart: Royalty Reprise

By David Richards

Washington Post Service

WASHINGTON — Kaufman and Hart had lunch at the Watergate the other day. Hart wore a full-length mink for the occasion and Kaufman sported a fancy blouse. They traded anecdotes and swore that they're as close as sorority sisters.

Kaufman and Hart, in this instance, happen to be Anne Kaufman Schneider (adopted daughter of the late George S. Kaufman) and actress Kitty Carlisle Hart (widow of Moss Hart). The original Kaufman-Hart collaboration produced three of the most enduring comedies in the American theater ("You Can't Take It With You," "Once in a Lifetime" and "The Man Who Came to Dinner"), not to mention a handful of lesser works ("Merely We Roll Along," "George Washington Slept Here," "The Indiscreet Lover"). The latter-day Kaufman-Hart watch over them like children. Holding the rights to those plays, as they do jointly, is more or less the equivalent of having a functioning oil well in the backyard.

In an average year, there are approximately 1,000 stock and amateur productions of "You Can't Take It With You" across the United States, making it one of the most frequently performed of all American plays. Add the other Kaufman-Hart comedies, and you're talking about 2,000 productions. Tote up the royalties — \$35 here, \$50 there — and the annual revenue hovers around \$100,000.

This, however, is not an average year. "You Can't Take It With You" is once again heading for Broadway in a loving revival directed by Ellis Rabb, and if Washington is any measure, the oil well is about to start gushing all over again. With the weekly gross grossing approximately \$160,000, the Kaufman-Hart (or Schneider-Carlisle) team finds itself richer by \$13,000 every seven days.

"We're the keepers of the flame," says Carlisle, graciously. "By that I mean that we don't allow first-class [Broadway] productions to be done unless we're sure . . . they're going to be first-



Anne Kaufman Schneider (left) and Kitty Carlisle Hart.

class," interrupts Schneider. "We have approval over the director, the cast, the designers."

In other words, if these women say no, there's no revival.

What they've learned over the years is that to make old plays into new hits you need a little extra something. "You can't just put them on well with competent actors," says Schneider. "You've got to bring an added dimension to them . . . Ellis understands 'You Can't Take It With You' in a way that Moss and my father never did. He understands the sentiment in it. My father would have been afraid to lose the laughs. But it really is a play about a warm family that loves and accepts one another."

Carlisle: "There was no sentiment in it originally. George and Moss never saw that. They thought of themselves as commercial Broadway playwrights. They had no idea of having written a classic. Sometimes Moss would say, a little wistfully, that Arthur Miller was viewed as the real thing, not he and George. And I'd say, 'Well, wait, you two may yet become the Beaton and Fletcher of your time.'"

Schneider: "And they have. But they really thought they were just writing this crazy comedy about a funny family. My father was very different about himself.

Strange and oddly diffident. . . . He wouldn't believe that his play was selling out on a Thursday matinee in Washington. He'd want to know why there aren't other people writing."

By common agreement, most of the business of the Kaufman-Hart estate falls to Schneider, although both of them make a point of seeing every major Kaufman-Hart production in the United States. (Schneider also takes in the European productions.) An actress and longtime television panelist on "To Tell the Truth," Carlisle is now chairman of the New York State Council on the Arts, a job that makes her time scarce.

"She's the classy one," says Schneider. "I'm show biz. I'm very easy to tell us apart. We're very much like our respective father and husband. Kitty is nice and loving and fun and pretty. I growl. Kitty laughs. I'm a crier. Really, I cry at card tricks."

The two first crossed paths in Hollywood on the set of the Marx Brothers movie "A Night at the Opera." Kaufman, who was the dialogue coach on the film, brought his daughter along one day. Carlisle was playing the ingenue. They didn't really get to know one another until the Kaufman-Hart collaboration was going strong in the 1930s and their respective families became neighbors in Pennsylvania.

Now Carlisle and Schneider phone each other at least twice a week, and at the Kaufman-Hart revivals, they sit together, hold hands and cry — not always in pleasure. They admit to making a whooper of a mistake by authorizing a musical version of "Merely We Roll Along" last season, produced and directed by Harold Prince and with music by Stephen Sondheim.

But a successful Broadway revival can reawaken interest. Currently there's talk of "The Solid Gold Cadillac" (Kaufman and Howard Teichmann) for television, a medium both women scorn. And there has been theatrical interest in "Light Up the Sky" (Moss Hart alone). "You Can't Take It With You," if it's well-received in New York, could speed both those projects along.

More is at stake, however, than the protection of theatrical property. Both women, who will drop a quip into the first hole in the conversation, believe in the ultimate seriousness of their mission.

Says Carlisle: "When I was young, my mother took me to Europe. She wanted me to marry a prince, hopefully a rich prince or failing that, an impoverished baron. Well, I blew it. But in a way, my mother was right. I did marry a prince. He was a prince of the theater. And now keeping Moss's name and his plays alive in people's minds is very important to me."

Schneider adds, "I feel very much the same way, but I didn't realize it until fairly recently, when I started seeing the plays in Europe. I was very moved by the fact that they work the same way everywhere. In Amsterdam or Oslo or Bratislava. Even where they have no frame of reference for these particularly American comedies, audiences laugh in all the same places. And I realized that immortality, if there is such a thing, only comes from living people. So I try to get these plays done everywhere."

Both looked uncharacteristically grave for a moment. Then Kaufman and Hart polished off their tea and checked their makeup and headed off to a sold-out theater — their mission, for the time being, accomplished.

AFRICA POSTCARD

Legacy of the Zulus

By James F. Smith

The Associated Press

ROKKE'S DRIFT, South Africa — In a remote valley rich with the lore of fallen Zulu warriors, a black art colony has brought artistic recognition for traditional African crafts.

The Rokke's Drift art center was established in 1962 with Swedish Lutheran church aid "to nurture the unique artistic heritage of Africa," as a white bishop said at the founding.

The center's 120 potters and weavers design their own patterns and color schemes. Each intricate textile pattern, pottery glazing design and tapestry tale is unique. A single small vase can take a day or more, tapestries months.

"The aim is not only to give employment, but to create a cultural dignity and pride," said Princess Ngobco, acting treasurer of the center. "These are artists rather than craftsmen."

Since 1975 the nonprofit center has been run by blacks who live and work in the cluster of a dozen buildings, without outside aid. The settlement, on a green hillside, lies 30 kilometers (18 miles) from the nearest paved road and 200 kilometers north of the Indian Ocean port of Durban. But a steady flow of commercial and private buyers make the journey.

The compound includes the stone house of the first Swedish missionary to South Africa, Otto Wint, who arrived in Zululand in the 1870s. The house, now a post office and small gallery, formed part of the barricade in a bloody victory by 140 British soldiers against 4,000 Zulu warriors who attacked the garrison at the settlement in January 1879.

Earlier the same day, the Zulus earned their greatest victory, wiping out 850 British soldiers at Isandlwana 20 miles away. The British government awarded 11 Victoria Crosses to the Rokke's Drift defenders, the highest number ever for a single action. The site includes separate graveyards for English and Zulu dead. Now visitors are guided by a 76-year-old Zulu who says his grandfather died in the attack.

Art work from the pottery, weaving and textiles workshops is sold mostly in South Africa but has generated international respect as well, the tapestries in particular. Exhibi-

tions have been held at many galleries and churches in Scandinavia, the Netherlands, Italy, Ireland and the United States.

Sales of art work finance the center's yearly costs of more than 75,000 rand (about \$70,000), many years the income also subsidized the Rokke's Drift Fine Arts School, which became the pre-black art school in South Africa. This year, however, it was forced to close because of rising costs the difficulty in getting staff for 40 students. Graduates include such highly regarded graphic artists as Sidney Momoa and so on like Zondi Chiba.

Ngobco said attempts at being made to find money a staff to reopen the school. The joy of the black artists, she has been at the center for 15 years, and very few new artists accepted. "It's not a school where you learn and go, but where you learn and stay," she said.

Between 1962 and 1975, the Swedish couples worked at the center. Malin Lundbom, a textile artist, was here with her husband from 1968 to 1975, and returned in 1981 for another two-year stay. She said another Swedish technique had influenced the methods of the African artists, but the designs, colors and patterns were their own.

Artists are paid for each work they produce, depending on quality and the time spent. Prices are set by the supervisors in a workshop. Formal education is required: Some of the artists, not read or write. "Anybody, disregarding basic education, has an opportunity to express himself in modern material," Lundbom said.

Chemical dyes are used for textiles rather than natural dyes. Carpets are in bold modern colors but woven on traditional looms. Fine karakul wool. The pottery workshop uses modern glazes as kilns, although foot-driven kiln wheels are used rather than electric wheels. Distinctive pottery styles have emerged, primitive scenes of daily life etched in blue on unglazed clay and blue etch on glazed desert sand-colored surfaces.

Tapestries often depict village life — water-carriers, women cooking fires and warriors who endured the manhood ritual of "washing of the spears" in blood of battle a century ago.

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